
PADK Trier K/S

Adelgade 15, 2, DK-1304 København K

Annual Report for 2023

CVR No. 42 51 17 30

The Annual Report was
presented and adopted
at the Annual General
Meeting of the limited
partnership
on 10/6 2024

Emil Skov
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company information	
Company information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PADK Trier K/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 1 January - 31 December 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 10 June 2024

Executive Board

Anders Skovgaard Klingbeil
CEO

Board of Directors

Peter Matzen Drachmann
Chairman

Anders Skovgaard Klingbeil

Eric Scott Linden Laird Craig

Albert Cornelis Tol

Independent Auditor's report

To the limited partners of PADK Trier K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2023 and of the results of the Limited Partnership's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PADK Trier K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Limited Partnership in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Limited Partnership's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 10 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Morten Jørgensen

State Authorised Public Accountant

mne32806

Qasam Hussain

State Authorised Public Accountant

mne44159

Company information

The Company	<p>PADK Trier K/S Adelgade 15, 2 1304 København K</p> <p>CVR No: 42 51 17 30 Financial period: 1 January - 31 December Incorporated: 29 June 2021 Financial year: 3rd financial year Municipality of reg. office: København</p>
Board of Directors	<p>Peter Matzen Drachmann, chairman Anders Skovgaard Klingbeil Eric Scott Linden Laird Craig Albert Cornelis Tol</p>
Executive Board	<p>Anders Skovgaard Klingbeil</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup</p>
Bankers	<p>Jyske Bank A/S Vesterbrogade 9 1780 København V</p>

Income statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
Gross profit before value adjustments		14,156,942	15,930,326
Value adjustments of assets held for investment		-29,250,000	-56,659,711
Gross profit after value adjustments		-15,093,058	-40,729,385
Financial income	3	3,157	0
Financial expenses	4	-6,262,067	-6,359,375
Net profit/loss for the year		-21,351,968	-47,088,760
 Distribution of profit			
		2023 DKK	2022 DKK
Proposed distribution of profit			
Proposed dividend for the year		11,809,244	13,828,353
Retained earnings		-33,161,212	-60,917,113
		-21,351,968	-47,088,760

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		410,000,000	439,250,000
Property, plant and equipment	5	410,000,000	439,250,000
Fixed assets		410,000,000	439,250,000
Receivables from group enterprises		808,938	0
Other receivables		695,560	1,091,935
Prepayments		45,638	133,519
Receivables		1,550,136	1,225,454
Cash at bank and in hand		13,030,367	17,855,639
Current assets		14,580,503	19,081,093
Assets		424,580,503	458,331,093

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share premium account		98,000,000	98,000,000
Retained earnings		-75,916,476	-42,755,264
Proposed dividend for the year		11,809,244	13,828,353
Equity		33,892,768	69,073,089
Mortgage loans		310,767,082	310,593,448
Payables to group enterprises		67,494,350	67,494,350
Deposits		7,138,931	6,833,087
Long-term debt	6	385,400,363	384,920,885
Prepayments received from customers		512,120	0
Trade payables		275,257	518,012
Payables to group enterprises	6	2,542,596	923,961
Other payables		1,957,399	2,895,146
Short-term debt		5,287,372	4,337,119
Debt		390,687,735	389,258,004
Liabilities and equity		424,580,503	458,331,093
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

Statement of changes in equity

	Share premium account	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	98,000,000	-42,755,264	13,828,353	69,073,089
Ordinary dividend paid	0	0	-13,828,353	-13,828,353
Net profit/loss for the year	0	-33,161,212	11,809,244	-21,351,968
Equity at 31 December	98,000,000	-75,916,476	11,809,244	33,892,768

Notes to the Financial Statements

1. Key activities

The purpose of the company is to function as an acquisition company for an alternative investment fund, including acquiring and holding shares in subsidiaries that conduct business in buying and owning real estate, and related business.

	<u>2023</u>	<u>2022</u>
2. Staff		
Average number of employees	<u>0</u>	<u>0</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Other financial income	<u>3,157</u>	<u>0</u>
	<u>3,157</u>	<u>0</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Interest expenses to group entities	3,374,718	3,374,718
Other financial expenses	<u>2,887,349</u>	<u>2,984,657</u>
	<u>6,262,067</u>	<u>6,359,375</u>

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	478,752,749
Cost at 31 December	478,752,749
Value adjustments at 1 January	-39,502,750
Revaluations for the year	-29,249,999
Value adjustments at 31 December	-68,752,749
Carrying amount at 31 December	410,000,000

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (Return based-model) based on management's assessment of future cash flow, return requirements etc. The fair value adjustment for the year has been recognised in the Income Statement.

	2023	2022
	DKK	DKK
Yield	4,3%	3,9%

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The valuation is based on current lease contacts.

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
6. Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Mortgage loans		
After 5 years	298,974,699	308,475,115
Between 1 and 5 years	<u>11,792,383</u>	<u>2,118,333</u>
Long-term part	310,767,082	310,593,448
Within 1 year	<u>0</u>	<u>0</u>
	<u>310,767,082</u>	<u>310,593,448</u>
Payables to group enterprises		
After 5 years	<u>67,494,350</u>	<u>67,494,350</u>
Long-term part	67,494,350	67,494,350
Other short-term debt to group enterprises	<u>2,542,596</u>	<u>923,961</u>
	<u>70,036,946</u>	<u>68,418,311</u>
Deposits		
After 5 years	<u>7,138,931</u>	<u>6,833,087</u>
Long-term part	7,138,931	6,833,087
Within 1 year	<u>0</u>	<u>0</u>
	<u>7,138,931</u>	<u>6,833,087</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
7. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Investment properties with a carrying amount of	410,000,000	439,250,000

Notes to the Financial Statements

2023	2022
DKK	DKK

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Company has provided an absolute guarantee related engagement with mortgage for the sister company for a maximum of DKK 315,600,000.

The company is a limited partnership for the unlimited partner PADK Gads & Trier Komplementar ApS, which means that the unlimited partner has unlimited liability for the limited partnerships obligations excl. the guarantee for the sister company, which amount to DKK 390,687,735 as per 31 December 2023.

8. Related parties

The company is included in the consolidated financial statements for the ultimate parent company, NPS EUROPEAN PROPERTY III SCSp, 41, avenue de la Liberté, L-1931 Luxembourg.

Notes to the Financial Statements

9. Accounting policies

The Annual Report of PADK Trier K/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Limited partnership, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Fixed assets acquired in foreign currencies are measured at the transaction date rates

Income statement

Revenue

Revenue includes rental income from operating leases, service charges and management charges on properties.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and office staff, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Limited partnership.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

The company is not independently liable to tax and consequently tax has not been recognized.

Balance sheet

Property, plant and equipment

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Return-based valuation model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Notes to the Financial Statements

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Financial liabilities

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.